GOVERNMENT OF INDIA
STEEL
LOK SABHA

STARRED QUESTION NO:297
ANSWERED ON:14.08.2006
PUBLIC SECTOR STEEL COMPANIES
Sidhu Shri Navjot Singh

Will the Minister of STEEL be pleased to state:

(a) whether public sector steel plants are facing stiff competition from global steel companies;

(b) if so, the details thereof; and

(c) the steps being taken to enable the Public Sector steel companies to face the competition?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)to(c): A statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) OF THE LOK SABHA STARRED QUESTION NO.297 TO BE ANSWERED ON 14/08/2006 TABLED BY SHRI NAVJOT SINGH SIDHU, MEMBER OF PARLIAMENT REGARDING PUBLIC SECTOR STEEL COMPANIES

(a) Yes, Sir.

(b) With the reduction in import duty, steel imports have increased, resulting in competition with the global steel companies. Also, with the proposed entry of international players like POSCO and Mittal Steel into India, competition would be fiercer, especially in light of state of the art technology available with such new entrants.

(c) The Steel Authority of India Ltd. (SAIL) has formulated a Corporate Plan 2012 which envisages enhancing capacity and building competitiveness for maintaining leadership in the Indian Steel Market. Competitiveness, defined in terms of cost, quality and growth will be achieved by optimum usage of existing assets and the induction of new assets/ technology. Competitiveness would also be achieved by proactive strategies for sourcing key raw materials. The plan envisages a growth in production to 22.5 MT of Hot Metal with an investment of about Rs. 37,000 Crores.

To bring down the cost of production, technological innovations like augmenting concast route, 100% Basic Oxygen Furnaces, introduction of auxiliary fuels usage, oxygen enrichment, increase in power generation through Joint Ventures etc. are planned to be introduced. Ten new finishing mills with state of art technology are planned to be installed.

SAIL has made extensive plans to improve the quality of products across the value chain and make value added steel, which will help in improving marketability and financial performance. Substantial Investments are proposed in the areas of pre and post treatment of metal, on-line testing and quality control facilities, standardization / automation / process control & Information Technology.

Rashtriya Ispat Nigam Ltd. (RINL), another public sector undertaking is implementing an ambitious expansion programme to increase its liquid steel capacity from 3MT to 6.3 MT, to augment its production capacity.